

**FINANCE AND AUDIT COMMITTEE**  
**McHenry County Government Center – Administration Building**  
**667 Ware Road**  
**Woodstock IL 60098**

MINUTES OF TUESDAY, JUNE 12, 2007

Committee Chairman Marc Munaretto called the meeting to order at 9:36 a.m. The following Committee Members were present: Marc Munaretto; Marie Chmiel; John Hammerand; Tina Hill; Daniel Ryan; and Barbara Wheeler. Lyn Orphal was absent due to illness in the family. Also in attendance: Sandy Lewis and Jane Wacker, Mental Health (708) Board; Beverly Beyer, Risk Management; Carl Martens, Workforce Network; Mike Iwanki, Veterans Assistance Commission; Kathie Schultz, County Clerk; Pat McNulty, Health Department; Chief Tom Svoboda, Sheriff's Department - Corrections; Mark Cook, Public Defender; Representatives from McHenry County Conservation District; Sheryl Walsh, Internal Auditor; Peter Austin, County Administrator; Don Rohm and Karen Afseth - representatives from Virchow Krause; interested public; and the press.

Marc Munaretto, Chairman	
Marie M. Chmiel	John Hammerand
Tina Hill	Lyn Orphal
Daniel P. Ryan	Barbara Wheeler

MINUTES

Mr. Hammerand made a motion, seconded by Mr. Ryan to approve the June 5, 2007 minutes of the Joint Human Resources and Finance and Audit Committees meeting. The minutes were approved as submitted with a unanimous voice vote.

PUBLIC PARTICIPATION

None.

PRESENTATION

*Virchow Krause – Completion of the Audit:* Mr. Rohm and Ms. Afseth joined the Committee and provided a summary to the McHenry County Annual Financial Report for FY ended November 30, 2006, including the reported of Internal Control; an Informational Report Issued in Connection with the Annual Audit; and a Report on Federal Awards. The Audit is a clean opinion, which is the highest given. Mr. Rohm noted that the report is a combined effort of the Auditor's office and the outside audit firm. All records are prepared by the Auditor. The documents have been prepared in accordance with all reporting standards. He noted that the County has maintained a general fund unrestricted cash reserve of five months and on November 30, 2006 the reserve was 6.6 months.

*McHenry County Conservation District FY 07/08 Budget:* Representatives from McHenry County Conservation District (including Andy Dylak – director of Finance; John Kremer, Director of Operations; Elizabeth Kessler, Executive Director; and Joe Gottemoller, President – Board of Trustees) joined the Committee and provided an overview to the Annual FY 07/08 Budget for the McHenry County Conservation District.

NEW BUSINESS

*McHenry County Conservation District FY 07/08 budget:* Ms. Hill made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing the acceptance of the McHenry County Conservation District FY 07/08 budget. The motion carried with all members present voting aye on a roll call vote (Hill, Wheeler, Chmiel, Hammerand, Ryan and Munaretto).

*Resolution accepting the Comprehensive Annual Financial Report for FY ending 11/30/06:* Mr. Ryan made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution authorizing acceptance of the Comprehensive Annual Financial Report for FY ending November 30, 2006. The motion carried with a unanimous voice vote of all ayes.

*Resolution authorizing the acceptance of the Veterans Lottery Grant and an emergency appropriation to the Veterans Assistance Commission 2007 budget:* Ms. Hill made a motion, seconded by Ms. Wheeler, to recommend the County Board approve a Resolution authorizing the acceptance of the Veterans Lottery Grant and an emergency appropriation to the Veterans Assistance Commission 2007 budget. Mr. Iwanki explained that the grant will provide funding for a dental program for veterans. Private dentists will provide the services and will be paid through these grant funds. McHenry County is the only county in the State to receive this grant. After discussion, a roll call vote was called. The motion carried with all members present voting aye on a roll call vote (Hill, Wheeler, Chmiel, Hammerand Ryan and Munaretto).

*Resolution to accept the Illinois Department of Commerce and Economic Opportunity Grant #07-681002 for the FY 08 WIB budget and a Resolution accepting the Illinois Department of Commerce and Economic Opportunity Grant #06-631002 for the FY 08 WIB budget:* Ms. Hill made a motion, seconded by Ms. Wheeler, to recommend the County Board approve a Resolution authorizing to accept the Illinois Department of Commerce and Economic Opportunity Grant #07-681002 for the FY 08 WIB budget and a second Resolution accepting the Illinois Department of Commerce and Economic Opportunity Grant #06-631002 for the FY 08 WIB budget. The motion carried with all members present voting aye on a roll call vote (Ryan, Hammerand, Chmiel, Wheeler, Hill and Munaretto).

*Resolution authorizing the creation of one new Assistant Public Defender Attorney position in the Public Defender's Department roster:* Ms. Wheeler made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing the creation of one new Assistant Public Defender Attorney position in the Public Defender's Department roster. Mr. Cook provided background information to the proposed resolution, noting that due to many changes in the Illinois Supreme Court and the 22<sup>nd</sup> Judicial Circuit Court Rules, an additional assistant public defender is needed to address an increase in courtroom coverage. After discussion, a roll call vote was called. The motion carried with all members present voting aye on a roll call vote (Ryan, Hammerand, Chmiel, Wheeler, Hill and Munaretto).

*Resolution authorizing an emergency appropriation to the County Sheriff's Corrections FY 07 budget:* Ms. Hill made a motion, seconded by Ms. Wheeler, to recommend the County Board approve a Resolution authorizing an emergency appropriation to the County Sheriff's Corrections FY 07 budget. Chief Svoboda reported that the Administration Wing of the Jail has a cafeteria which is available for officers to purchase a meal. He noted that in 2005 the County entered into an agreement with ARAMARK Correctional Services whereby ARAMARK would donate funds in the amount of \$10,000 per year and said donation not to exceed \$100,000. After two years the fund now has \$20,000 available. The Sheriff would now like to draw down those funds to make the correctional facility's cafeteria operational. Chairman Munaretto asked if a separate fund was established for these donations and asked how this was reflected in the budget. Chief Svoboda stated this was a separate set-aside account. Chairman Munaretto questioned why there was a need to draw from the General Fund. In the absence of further information, the Committee agreed not to act on this proposed Resolution today but to meet just prior to the June 19, 2007 County Board meeting to address this Resolution.

*Resolution authorizing a reclassification of position number 013-05-002-99 on the County Clerk's election Department Roster:* Ms. Hill made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing a reclassification of position number 013-05-002-99 on the County Clerk's election Department Roster. Ms. Schultz explained that a long term full-time employee has now become a part-time employee which has created a part time vacancy within her department. Ms. Schultz would like to hire a part-time employee to meet the needs the Election Department. She reported she has found a retired person that would meet those needs. After a discussion, a roll call vote was called. The motion carried with all members present voting aye (Hill, Wheeler, Chmiel, Hammerand, Ryan and Munaretto).

*Resolution authorizing a budget line item transfer from the General Fund Non-Departmental budget to establish a Mental Health Court FY 07 budget:* Ms. Wheeler made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing a budget line item transfer from the General Fund Non-Departmental budget to establish a Mental Health Court FY 07 budget. The motion carried with all members present voting aye on a roll call vote (Hill, Wheeler, Chmiel, Hammerand, Ryan and Munaretto).

*Resolution accepting the IEPA Solid Waste Enforcement Grant:* Ms. Hill made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution accepting the IEPA Solid Waste Enforcement Grant. Mr. McNulty reported that the County has been awarded this grant for the past several years. The grant allows funding to support the solid waste inspection efforts. On a roll call vote, the motion carried with all members present voting aye on a roll call vote (Hill, Wheeler, Chmiel, Hammerand, Ryan and Munaretto).

*Resolution authorizing acceptance of an IEPA Community Water Analyses Contract and to provide an emergency appropriation to the Health Department FY 07 budget:* Mr. Ryan made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution authorizing acceptance of an IEPA Community Water Analyses Contract and to provide an emergency appropriation to the Health Department FY 07 budget. Mr. McNulty reviewed the request noting that the grant would provide funding to do analyses of community

water supplies over the next two years. After a discussion a roll call vote was called, the motion carried with all members present voting aye on a roll call vote (Hill, Wheeler, Chmiel, Hammerand Ryan and Munaretto).

*Resolution authorizing an emergency appropriation in the FY 07 McHenry County Mental Health Board Budget for the Child Mental Health Initiative – Family Care Grant:* Ms. Hill made a motion, seconded by Ms. Wheeler, to recommend the County Board approve a Resolution authorizing an emergency appropriation in the FY 07 McHenry County Mental Health Board Budget for the Child Mental Health Initiative – Family Care Grant. Ms. Lewis provided background information to the proposed Resolution. On a roll call vote, the motion carried with all members present voting aye on a roll call vote (Ryan, Hammerand, Chmiel, Wheeler, Hill and Munaretto).

*Resolution authorizing a Server Upgrade Solution:* Ms. Chmiel made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing a Server Upgrade Solution. Mr. Sullivan noted he is aware of the current policy to lease this type of equipment but noted there was some value in purchasing this server upgrade at this time. He stated the current server capacity has increased dramatically and the upgrade will allow for consolidated connectivity to the network and SAN. On a roll call vote, the motion carried with all members present voting aye on a roll call vote (Hill, Wheeler, Chmiel, Hammerand, Ryan and Munaretto).

*Three Resolutions: (1) Resolution authorizing Workers' Compensation Claim Settlement- Claim #05-3220-03; (2) Resolution authorizing Workers' Compensation Claim Settlement- Claim #06-3200-2; and (3) Resolution authorizing Workers' Compensation Claim Settlement- Claim #04-3210-13:* Ms. Wheeler made a motion, seconded by Ms. Hill, to recommend the County Board approve the three Resolutions as presented. The motion carried with all members present voting aye on a roll call vote (Ryan, Hammerand, Chmiel, Wheeler, Hill and Munaretto).

*Resolution authorizing the creation of a new Financial Analyst position on the County Administration Departmental Roster:* Ms. Hill made a motion, seconded by Ms. Wheeler, to recommend the County Board approve a Resolution authorizing the creation of a new Financial Analyst position on the County Administration Departmental Roster. Mr. Austin stated that adding this position has been discussed over the past few years. This employee will assist with the budget process and strengthen the financial division. Ms. Wheeler pointed out it has been a Board policy not to hire during the year except under extenuating circumstances. Mr. Austin noted that it has taken time and this is not a new discussion or new idea. Ms. Wheeler stated she wanted to bring up the County's policy on hiring and the importance of adhering to such policies. She noted that this position should have been included in the Administration budget for FY 06/07. Ms. Hill noted that when departments do come to committee's to make hiring requests in mid-year it is very rare that such requests are denied. Ms. Chmiel agreed the position should have been budgeted for and asked who this individual would report to and what skill sets were required. Mr. Austin stated that individual being considered does have a CPA and is familiar with government accounting with a general business background. This position will report to the Associate County Administrator of Finance. He stated Ms. Wheeler's and Ms. Chmiel's comments are valid and the Board / Administration should lead by example. He stated to move forward with this position has taken a lot of thought and to move forward at this time seems appropriate with the upcoming budget process. The individual will do a lot of budget preparation work and hard analyses of budget requests. Chairman Munaretto stated this position will add to our financial stability by evaluating and analyzing information and will enrich our financial program. With no further discussion, a roll call vote was called. The motion carried with all members voting aye (Ryan, Hammerand, Chmiel, Wheeler, Hill and Munaretto).

*Ordinance adopting the prevailing wage rates (waiver of 30 day review requested):* Mr. Ryan made a motion, seconded by Ms. Hammerand, to recommend the County Board approve an Ordinance adopting the prevailing wage rates with a waiver of 30 day review requested. The motion carried with a voice vote of 5 ayes and one nay (Hill).

EXECUTIVE SESSION: None.

OLD BUSINESS:

*Follow-up to the timeline/process regarding the Animal Control Facility Initiative:* Mr. Austin reported that staff has rebuilt the events leading up to the purchase of the facility and asked that he be given time to refine the key action steps. He stated he would present this information at the next regular meeting.

Chairman Munaretto stated until just recently he was unaware of plans to sell the current animal control facility and as an outgrowth of that proposal he has prepared a draft policy governing the purchase and sale of real estate land and buildings. He asked that members review and read this document for discussion at the next regular meeting. Mr. Austin reported that at today's meeting of the Management Services Committee the members had a 3 to 3 vote on the sale and asked that this issue be presented to the full County Board on June 19<sup>th</sup> for consideration and discussion. Ms. Hill reported when the new animal control facility was being considered the Management Services Committee had given their okay to staff to put the old facility on the market. Mr. Austin stated the property was never put on the market but two proposal to purchase the property were received, the first proposal had fallen through. Chairman Munaretto stated that there were some conversations but there was never a commitment to sell the property. Mr. Hammerand stated that the sale of any government owned property should have public notice and go through the public bidding process. Chairman Munaretto asked that the sale of Banford Road be put aside until the proposed policy is evaluated. He asked members to review the policy for discussion at the next regular meeting. He stated the establishment such a policy would institutionalize the way we address such business in the future. Chairman Munaretto stated the policy would not be considered a Board Rule but would be adopted as a financial policy of the County Board. Ms. Hill commented that the proposed policy appears to give the Finance and Audit Committee to super power over the County Board. Chairman Munaretto noted currently there are two other financial policies - a Debt Policy and an Internal Audit Policy. The members will review the proposed policy for discussion at the next regular meeting. Ms. Hill noted that a Resolution regarding the sale of the Banford Road property will be put on the June 19<sup>th</sup> County Board agenda under New and Unfinished business, not on the consent agenda.

REPORTS TO COMMITTEE

*Auditor's Report:* None

*Contingency Reports:* None

*McHenry County Loan Fund:* Information on a future application for a loan request from Phezer Enterprises was provided.

ADJOURNMENT

Noting no further business, Mr. Hammerand made a motion, seconded by Ms. Chmiel, to adjourn the meeting at 11:30 a.m. The motion carried with a unanimous voice vote.

\* \* \* \* \*

**RECOMMENDED FOR BOARD ACTION:**

- Resolution authorizing acceptance of the McHenry County Conservation District FY 07/08 budget
- Resolution authorizing acceptance of the Comprehensive Annual Financial report for FY ending 11/30/06
- Resolution authorizing the acceptance of the Veterans Lottery Grant and an emergency appropriation to the Veterans Assistance Commission 2007 budget
- Resolution to accept the Illinois Department of Commerce and Economic Opportunity Grant #07-681002 for the FY 08 WIB budget
- Resolution accepting the Illinois Department of Commerce & Economic Opportunity Grant #06-631002 for the FY 08 WIB budget
- Resolution authorizing the creation of one new Assistant Public Defender Attorney position in the Public Defender's Department roster
- Resolution authorizing a reclassification of position number 013-05-002-99 on the County Clerk's Election Departmental Roster
- Resolution authorizing a budget line item transfer from the General Fund Non-Departmental budget to establish a Mental Health Court FY 07 budget
- Resolution accepting the IEPA Solid Waste Enforcement Grant
- Resolution authorizing acceptance of an IEPA Community Water Analyses Contract and to provide an emergency appropriation to the Health Department FY 07 budget
- Resolution authorizing an emergency appropriation in the FY 07 McHenry County Mental Health Board Budget for the Child Mental Health Initiative – Family Care Grant
- Resolution authorizing a Server Upgrade Solution
- Resolution authorizing Workers' Compensation Claim Settlement - Claim #05-3220-03
- Resolution authorizing Workers' Compensation Claim Settlement – Claim #06-3200-21
- Resolution authorizing Workers' Compensation Claim Settlement – Claim #04-3210-13
- Resolution authorizing the creation of a new Financial Analyst position on the County Admin. Dept. Roster
- Ordinance adopting the prevailing wage rates (waiver of 30 day review requested)

:bjt